

GASB 87 LEASE ASSET/DEFERRED INFLOW CALCULATION

Instructions: Use this calculation to determine which types of payments made or received should or should not be included in the calculation of the lease asset or deferred inflow of resources. The user may use this calculation as the lessee or as the lessor.

Type of Payment Included	Lessee (Asset)	Lessor (Deferred Inflow)
Lease Liability/Receivable	YES	YES
Payments made to lessor at or before commencement (less any incentives ¹ received)	YES	YES
Initial direct costs necessary to place the asset in service	YES	NO

¹Lease incentives are (a) payments made to, or on behalf of, the lessee, for which the lessee has a right of offset with its obligation to the lessor. Lease incentives reduce the amount that a lessee is required to pay for a lease. Lease incentives receivable by lessee (payable by lessor) after lease commencement are ordinarily a reduction (offset) in the calculation of the lease payments.